

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL MEMORANDUM**

**HB 2975 – SB 2908**

March 22, 2010

**SUMMARY OF AMENDMENT (014903):** Deletes the language of the original bill. Requires the Local Education Insurance Committee to develop a mechanism to provide an opportunity for eligible local education employees to enroll in a long term care benefits program with coverage to be effective January 1, 2012. Authorizes the Committee to determine the benefits package, funding mechanism, administrative procedures, and eligibility provisions and rules relating to the program. Requires the Department of Finance and Administration (F&A) to report recommendations to the Council on Pension and Insurance on or before November 1, 2010.

**FISCAL IMPACT OF ORIGINAL BILL:**

Increase Local Expenditures – Exceeds \$100,000/One-Time/Permissive

**FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

**Unchanged from the original fiscal note.**

Assumptions applied to amendment:

- According to F&A, the Division of Benefits Administration, local education employees electing to participate will be responsible for paying all premium costs; therefore, no participation by the state with monthly premiums.
- F&A indicates that local education agencies electing to offer long-term care benefits to employees will be required to establish payroll deduction for premium payments.
- This fiscal impact for this bill is dependent upon several unknown factors such as the number of local education agencies that will offer the benefit option to its employees, the number of local education employees that will elect to participate, and the extent of payroll system costs for any electing local education agency.

- Any increase to local government expenditures for payroll system modifications would be considered one-time, permissive and reasonably estimated to exceed \$100,000 statewide.

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "James W. White". The signature is fluid and cursive, with the first name "James" written in a larger, more prominent script than the last name "White".

James W. White, Executive Director

/rnc